

ECONOMIC SERVICES ADMINISTRATION (ESA)

2009-11 Budget Proposals

April 9, 2009

Today is Day 88 of the 105-day regular session of the Washington State Legislature – what a busy session it has been!

The two chambers of the Legislature – the Senate and House – recently released their proposed Operating Budget for the 2009-11 biennium, covering the two-year period July 1, 2009 through June 30, 2011. Operating budgets pay for the day-to-day operations of state government, including human services, public education, public safety, and higher education.

As we expected, there are some differences between the budgets introduced this week and the budget proposed by Governor Gregoire in December of last year.

Proposed Cuts to General Assistance

For the Economic Services Administration, the biggest difference between the proposed budgets as they stand now is in funding for the General Assistance - Unemployable (GA-U) program.

The Governor's Budget proposed elimination of state-funded GA-U cash and medical assistance. Cash and Medicaid benefits would continue under the General Assistance – Expedited (GA-X) program for persons expected to be disabled for 12 months or more who are likely to qualify for federal disability aid under the SSI program.

The Governor's Budget includes the following funding to help offset the impacts of GA-U elimination on emergency medical services, hospitalizations and homelessness:

- \$20 million to the Department of Community, Trade and Economic Development for emergency housing and shelter
- \$40 million to the Health Care Authority for community health clinics

The Senate Budget would not eliminate GA-U, but it would significantly reduce funding for GA-U cash grants by \$131 million (a reduction of about 66%) and GA-U Medical Care Services by \$59 million.

A proviso in the Senate Budget would require the Department to review all GA-U cases that have been active for more than 12 months and discontinue benefits "unless the recipient demonstrates no material improvement in their medical or mental condition." The proviso also gives the Department the authority to reduce GA-U grants as needed to stay within budget.

For GA-X, the Senate Budget would require the Department to reduce GA-X grants to pay for growth in the GA-X caseload above four percent a year.

Regarding GA-U Medical Care Services, the Senate Budget would require the department to freeze admissions and/or impose time limits as needed to stay within budget and within a caseload target of 80% of the current GA-U caseload.

This is very different than the Senate Budget proviso requirements for GA-U cash, and at this time we don't know whether this is a drafting error or an intentional delinking of cash and medical requirements.

The House Budget does not propose cuts in funding for GA-U or GA-X cash assistance. On the medical side, the House Budget would cut funding for GA-U Medical Care Services by \$31.7 million.

The House budget would provide ESA with 10 additional SSI facilitators, and it assumes some program savings due to additional GA recoveries of \$7.9 million for GA-X cases approved for SSI. There are no details available at this time on how the Department would be expected to achieve these savings.

Other Budget Highlights

The table below highlights other key areas in the proposed budgets that affect ESA.

	Senate Budget	House Budget
WorkFirst reductions	<p>\$68.7 million (same as Governor's Budget)</p> <p><i>Includes reductions in funding for WorkFirst partner agencies; plan for achieving savings to be determined</i></p>	same
5% reduction in State MOE for Tribal TANF programs	<p><i>Part of WorkFirst reductions above</i> (same as Governor's Budget)</p>	same
Additional staff for Food Stamp Employment & Training	<p>12 FTEs (same as Governor's Budget)</p>	same

	Senate Budget	House Budget
Reduced funding for Refugee and Immigrant Employment Services	<p>\$3 million reduction (same as Governor's Budget)</p> <p><i>These are services for WorkFirst adults with limited English proficiencies and other low-income refugees and immigrants; services include English as a Second Language training, job skills training, and job placement services.</i></p>	same
Administrative reductions — will affect all ESA Divisions	<p>What was in Governor's Budget plus additional \$4.7 million and 21.6 FTEs</p> <p>This equals \$51.4 million 237.6 FTEs</p>	<p>What was in Governor's Budget plus additional \$7.3 million</p> <p>This equals \$54 million 216 FTEs</p>

Next Steps in Building the Budget

The budgets released this week represent the recommendations of the Chairs of the Senate Ways and Means and the House Ways and Means Committees — these are the money committees. Each chamber now must approve the recommendations and pass its version of the budget. Any differences that remain between the two budgets will then need to be reconciled through a budget conference process.

During this process, six leaders from both chambers (and both political parties) meet to resolve differences and develop a conference committee recommendation. This recommendation is submitted to the full Legislature for final passage.

Upon final passage, the budget is delivered to the Governor for her signature. The Governor may veto all or parts of the budget, but she cannot add new resources or requirements to the budget that has been adopted by the Legislature. Ideally, any budget differences can be reconciled before April 26, which is the last day of the regular session. If not, the Legislature will have to go into a special session.

